Overcharging on Life Saving Drugs

1316. DR. YELAMANCHILI SIVAJI: Will the PRIME MINISTER be pleased to state:

(a) what is the relation between the prices of bulk drugs and that paid by consumers in retail market for life saving drugs;

(b) how it is ensured that the reduction in prices of bulk drugs percolates to consumers; and

(c) the details of the steps being taken to protect the interests of consumers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The retail prices of Scheduled formulations are calculated in accordance with a formula as explained in paragraphs 6 and 7 of the PCO, 1987, copies of which are available in Parliament Library.

(b) and (c) According to paragraph 9(2) of DPCO, 1987 where the Government fixes or revises the price of any bulk drug and a manufacturer utilises such bulk drug in his formulations, he is required to make an application to the Government for price revision within 30 days time. In order to ensure that the benefit of reduced price of bulk drug percolates to the consumers, Government revises the prices of ceiling packs of concerned formulations, on *suo-moto* basis in consultation with BICP.

Adverse Impact on Fertilizer Manufacturing Units

1317. SHRI KRISHNA KUMAR BIRLA: Will the PRIME MINISTER be pleased to state:

(a) whether Govement have made any assessment of the adverse impact on the fertilizer manufacturing units in the country by the withdrawal of subsidy on fertilizers and total decontrol of Ammonium Sulphate, Chloride and Calcium Ammonium Nitrate;

(b) if so, the details thereof;

(c) whether with the sharp rise in the inputs and production cost, Government propose to consider the question of maintaining the selling prices of fertilizers at a level so that the manufacturers fetch an economical price; and

(d) if so, the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) Subsidy on fertilizers has not been withdrawn, except in the case of some low analysis fertilizers, namely, Ammonium Sulphate, Ammonium Chloride and Calcium Ammonium Nitrate, as also Sulphate Potash which is wholly imported. Some of the manufactures of de-controlled fertilizers have reported that they would suffer financially in the free market situation. Since most of these manufacturers of low analysis fertilizers also produce other fertilizers which are not de-controlled or chemicals (on which there is no control) as a by-product or co-product, it is too early to assess that they would suffer wholly on account of de-control of low analysis fertilizers.

(c) and (d) Since the consumer prices of controlled fertilizers are subsidized, the manufacturers are ensured a fair return under the Retention Price-*cum*-Subsidy Scheme, including compensation for increases in the input and production costs as per a formula based on a combination of certain norms and actuals.

Raising Capacity of Gas Based Fertilizer Units

1318. SHRI KRISHNA KUMAR BIRLA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government propose to raise the standard capacity of